



THE CITY OF SAN DIEGO MANAGER'S REPORT

DATE ISSUED: September 13, 2000 REPORT NO. 00-182

ATTENTION: Land Use and Housing Committee
Agenda of September 20, 2000

SUBJECT: Del Mar Mesa Public Facilities Financing Plan and Facilities Benefit Assessment

REFERENCE: "Del Mar Mesa Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2001," August 2000 Draft

SUMMARY

Issues: 1) Should the Council adopt the Del Mar Mesa Public Facilities Financing Plan (PFFP) for Fiscal Year 2001? 2) adopt a Resolution of Intention to designate an area of benefit for Facilities Benefit Assessments (FBA) in Del Mar Mesa? 3) adopt a Resolution of Designation? 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Del Mar Mesa? and 5) revise the Transportation Phasing Plan for Del Mar Mesa?

Manager's Recommendation: Adopt the five resolutions.

Planning Commission Recommendation: None.

Community Planning Group Recommendation: At its July 12, 2000, meeting, the Del Mar Mesa Community Planning Board reviewed and approved the financing plan.

Environmental Impact: The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 95-0353 and Mitigation, Monitoring, and Reporting Program for the Del Mar Mesa Specific Plan, which covers this action. The City Council shall review and consider the previously certified EIR prior to adoption of the Resolution of Intention.

Fiscal Impact: Approval of this Public Facilities Financing Plan (PFFP) and Facilities Benefit Assessment will continue to provide a funding source for the required public facilities.

Code Enforcement Impact: None by this action.

Business Impact Statement: The assessments in the Del Mar Mesa Community are being increased only by the anticipated rate of inflation and should therefore have little unanticipated economic impact on businesses.

BACKGROUND

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments. This is the annual review and will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in the Del Mar Mesa specific plan area over the next fifteen year period. The most recent review of the Del Mar Mesa Public Facilities Financing Plan and FBA was approved by Council on October 8, 1999, by Resolution R-292289. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the FY 2000 plan. The Transportation Phasing Plan for Del Mar Mesa is incorporated within the financing plan document for the first time. The phasing plan was first adopted as part of the Del Mar Mesa Specific Plan on June 20, 1996.

DISCUSSION

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Del Mar Mesa area which is presently estimated to be by the year 2015. Del Mar Mesa is primarily an undeveloped community, with most of its community facilities remaining to be provided. The facilities needed are in the park, transportation, fire, police, water transmission lines, and open space categories. As the projected population of Del Mar Mesa does not, in many cases, meet community plan standards for full facility requirements, many facilities will be shared with adjacent communities. This plan proposes to add a contribution toward the Carmel Valley Trunk Sewer Replacement/Upsizing.

The revised Financing Plan for development in Del Mar Mesa identifies total project needs estimated at \$226,893,415. Funding for these projects come from a variety of sources including:

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
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\$ 18,413,619	Assessments (FBA)	8.1%
\$ 5,228,000	Developers	2.3%
\$ 35,804,017	Pacific Highlands Ranch	15.8%
\$ 14,658,320	Black Mountain Ranch	6.5%
\$ 9,818,183	Torrey Highlands	4.3%

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
\$ 6,560,000	Carmel Valley	2.9%
\$ 950,000	Sorrento Hills	.4%
\$ 6,597,176	Sewer Fees	2.9%
\$ 8,227,000	Cost Reimb. District	3.6%
\$ 7,039,200	Mitigation Purchases	3.1%
\$113,597,900	Other (SR56)	50.1%

The proposed assessments for Fiscal Year 2001 in Del Mar Mesa are as follows:

Single-family dwelling unit (A-1-10 zone)	\$30,264
Single-family dwelling unit (A-1-1 zone)	\$28,448
Multi-family dwelling unit	\$21,185
Commercial Acre	\$62,344

The proposed assessment for Fiscal Year 2001 is based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 4 percent to the year of construction. It also takes into account cash on hand using a 5 percent interest rate. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Del Mar Mesa that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2001 Assessments also be adopted as Development Impact Fees for Del Mar Mesa. The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into a special interest earning account for Del Mar Mesa. Annually the Council receives a status report on the program and authorizes the appropriation of funds for construction of facilities which are programmed for the next fiscal year in the Capital Improvements Program budget.

The proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public meeting, mailed notice will be given to all property owners within the proposed area of designation of the date of the hearing and their right to file a protest with the City Clerk prior to the start of the hearing. Notice will also be given by publication of the Resolution of Intention in the City's official newspaper. Unless overruled by a four-fifths vote of the Council, written protests by owners of more than one-half of the area of the property

proposed to be included within the Area of Benefit shall cause the proceedings to be abandoned. A letter advising of today's meeting was mailed to all property owners as shown on the last assessment roll, or otherwise known to staff.

The Del Mar Mesa Transportation Phasing Plan, included with the Del Mar Mesa Public Facilities Financing Plan for the first time, is proposed for revision in order to create an interim phase between the current Phases 1 and 2. This interim phase (Phase 1B) would allow an additional 150 units to be permitted prior to satisfaction of Phase 2. These 150 units would lie south of Del Mar Mesa Road and have access via Carmel Mountain Road with traffic loading southwesterly to Carmel Country Road through Neighborhood 10 in Carmel Valley. Until Camino Santa Fe has been assured in approximately 2005 and Phase 2 thereby satisfied, Carmel Mountain Road would not be connected to Del Mar Mesa Road. Disapproval of this revision would limit development in the community to 220 units until that occurs.

ALTERNATIVES

Do not approve the proposed Public Facilities Financing Plan and Facilities Benefit Assessment or the setting of Development Impact Fees. This is not recommended because the new assessments will insure that new development contributes its proportional share for new facilities identified in the community plan. In the absence of these fees, alternative sources would have to be identified to fund the share of the identified facilities attributable to new development. Do not approve an interim phase in the Transportation Phasing Plan. This would have the effect of stopping development at 220 units until FY 2005.

Respectfully submitted,

S. Gail Goldberg, AICP
City Planner

Approved: George Loveland
Assistant City Manager

GOLDBERG/GH

Attachment: Draft FY 2001 Del Mar Mesa Public Facilities Financing Plan, August 2000

Note: Due to the size of the attachment, only a limited distribution was made. A copy is available for review in the Office of the City Clerk.

Note: This attachment not available in electronic format.